Growth Centres in the North-Eastern region

550. SHRI W. ANGOU SINGH: Will the Minister of INDUSTRY be pleased to state:

(a) the number of the Growth Centres of industries allotted to North-Eastern Region State-wise;

(b) the present progress of these centres for each State of this region;

(c) the amount of expenditure to be incurred on each centre; and

(d) whether there is a difference of sanction according to the conveniences of communication of the States?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Under the growth Centre Scheme, 1988, 9 growth Centres have been allotted to the States in the North-Eastern Region as mentioned below:—

Name of the State/ growth centre	Status
ASSAM	
1. Chariduar	Approved in February, 1997 and Ist instalment of Central assistance of Rs. 50 lakhs released.
2. Matia	Approved in September, 1997 and Ist instalment of Central assistance of Rs. 50 lakhs released.
3. Sonapur	Detailed project report not yet submitted by the State Government. Proposal for change of location involved.
ARUNACHAL PRADESH	
4. Niklok Ngorlung	Approved in February, 1997 and Ist instalment of Central assistance of Rs. 50 lakhs released.
MANIPUR	
5. Lamlai-Napet	Project report not yet submitted by the State Government. Change of location involved.
MIZORAM	
6. Luangmual	Approved in March, 1997 and Ist instalment of Central assistance of Rs. 50 lakhs released.
MEGHALAYA	
7. Mendipathar	Approved in March, 1997 and Ist instalment of Central assistance of Rs. 50 lakhs released.
NAGALAND	
8. Ganeshnagar	Project Appraisal Committee has cleared the project in its meeting held on 17.11.97 for placing before the Apex Committee for final approval.
TRIPURA	
9. Bodhjung Nagar	Approved in September, 1997 and Ist instalment of Central assistance of Rs. 50 lakhs released.

2. Each of the approved growth centres under this Scheme is to be provided with Central assistance of Rs. 10 crore and the State Government are to provide the remaining amount of the total cost of the project.

Sickness in SSIs

551. SHRI NARENDRA MOHAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government has any scheme whereby sickness in small scale industries which is increasing gradually, can be taken care of at the preventive stage, rather than waiting for it to become completely sick and BIFR coming to their rescue after it has been completely sick;

(b) if so, the details thereof; and

(c) if no such scheme is in operation, whether Government are thinking of devising such a scheme whereby marginally sick industries or such industries apprehending sickness, can take advantage of Government agency's assistance at that stage itself?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Reserve Bank of India has issued guidelines to banks for identification of sickness in SSIs at the incipient stage and measures to be initiated to remedy/arrest further deterioration in the health of SSI units. While advising the banks on parameters/warning signals of incipient sickness in Small Scale Industries, RBI has also instructed them to conduct viability studies within a period of three months from identification of the sickness. BIFR does not deal with rehabilitation of sick SSI units.

(c) Guidelines by RBI are adequate to deal with the problem of sickness at the incipient stage.

Slowdown in Industrial activity

552. SHRI NARENDRA MOHAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether there has been a marked slowdown in industrial activity in the country;

(b) if so, reasons therefore and the percentage-wise slowdown in major industries as compared to last year; and

(c) the corrective steps proposed to be taken so that growth rate of over 8% is achieved?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Sectoral growth according to the broad industrial classification is given in the enclosed statement (See below). The deceleration in industrial growth is perceived to be a cumulative effect of many macro factors which include subdued export growth, slowdown in investment and consumer demand, poor performance of infrastructure industries had high cost of capital during most part of 1996-97.

(c) In the Union Budget 1997-98 and the Credit Policy announced thereafter in April-October, 1997, strong initiatives have been provided to improve investors' confidence, industry profitability and credit flow. In a Meeting convened by the Prime Minister with Infrastructure sectors on 22nd July, 1997 and with other Manufacturing Industry on 14th October, 1997, issues relating to temporary slow down in some of the sectors were discussed and steps such as restoration of duty draw-back to encourage exports have already been taken. Further, with the sharp increase in availability of lendable resources with banks with phased reduction of Cash Reserve Ratio (CRR), substantial lowering of interest rates and release of arrears of pay to Central Government Employees on implementation of the Recommendations of Fifth Pay Commission, the overall demand for industrial products is expected to go up.

Statement

Growth Rates of Index of Industrial Production

(Base: 1980-81=100)

Sl. No.	Industry Group	Weight	%Growth Rate APR-AUG	
			1996-97	1997-98
1.	Food Products	5.3270	21.7	−16.0
2.	Beverage, tobacco & Products	1.5710	14.8	9.3
3.	Cotton Textiles	12.3090	9.7	9.0
4.	Jute, hemp & mesta textiles	1.9990	−3.2	12.2
5.	Textile Products	0.8170	5.7	−1.0